

**UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF PUERTO RICO**

In re:

THE FINANCIAL OVERSIGHT AND  
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO, *et al.*

Debtors.<sup>1</sup>

PROMESA Title III

Case No. 17-BK-3283-LTS  
(Jointly Administered)

In re:

THE FINANCIAL OVERSIGHT AND  
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

PUERTO RICO ELECTRIC POWER AUTHORITY,

Debtor.

Case No. 17-BK-4780-LTS

**This Court Filing Relates Only  
to PREPA and Shall Only Be  
Filed in the Lead Case (Case  
No. 17-BK-3283-LTS) and  
PREPA's Title III Case (Case  
No. 17-BK-4780-LTS)**

OFFICIAL COMMITTEE OF UNSECURED  
CREDITORS OF ALL TITLE III DEBTORS  
(OTHER THAN COFINA),

Movants,

v.

THE FINANCIAL OVERSIGHT AND  
MANAGEMENT BOARD FOR PUERTO RICO,

**Re: ECF No. 7484**

<sup>1</sup> The Debtors in these Title III Cases, along with each Debtor's respective Title III case number and the last four (4) digits of each Debtor's federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (the "Commonwealth") (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation ("COFINA") (Bankruptcy Case No. 17 BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority ("HTA") (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico ("ERS") (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686); and (v) Puerto Rico Electric Power Authority ("PREPA") (Bankruptcy Case No. 17 BK 4780-LTS) (Last Four Digits of Federal Tax ID: 3747). (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).



as representative of  
PUERTO RICO ELECTRIC POWER AUTHORITY,  
Respondent.

**THE PUERTO RICO FISCAL AGENCY AND FINANCIAL ADVISORY  
AUTHORITY'S RESPONSE TO URGENT MOTION OF OFFICIAL COMMITTEE OF  
UNSECURED CREDITORS FOR ORDER, PURSUANT TO BANKRUPTCY CODE  
SECTION 926(a), AUTHORIZING COMMITTEE TO PURSUE CERTAIN  
AVOIDANCE ACTIONS ON BEHALF OF PUERTO RICO ELECTRIC POWER  
AUTHORITY**

To the Honorable United States District Judge Laura Taylor Swain:

The Puerto Rico Fiscal Agency and Financial Advisory Authority ("AAFAF"), by and through its undersigned counsel, respectfully submits this response (the "Response") to the *Urgent Motion of Official Committee of Unsecured Creditors for Order, Pursuant to Bankruptcy Code Section 926(a), Authorizing Committee to Pursue Certain Avoidance Actions on Behalf of Puerto Rico Electric Power Authority* [Case No. 17-BK-3283-LTS, ECF No. 7484] ("Motion"),<sup>2</sup> filed by the Official Committee of Unsecured Creditors of all Title III Debtors (other than COFINA) (the "UCC"). In further support of this Response, AAFAF respectfully avers as follows:

**RESPONSE**

1. For the reasons explained in greater detail in the oppositions to the Motion (the "Oppositions") submitted by the Financial Oversight and Management Board for Puerto Rico (the "Oversight Board") and Assured Guaranty Corp. and Assured Guaranty Municipal Corp., the UCC has failed to meet its burden under Bankruptcy Code section 926(a) of showing that the Oversight Board has actually refused to bring the Lien Challenge. To the contrary, as it notes in

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<sup>2</sup> Capitalized terms not defined herein shall have the meanings given them in the Motion and the Oppositions.



its Opposition, the Oversight Board is prepared to either bring the Lien Challenge or enter into appropriate tolling agreements to preserve the Lien Challenge in accordance with the terms of the RSA. The Motion therefore fails at the threshold.

2. Moreover, the UCC's alleged "*Aurelius/UTIER* problem" is illusory. As the Oversight Board explains, the Oversight Board is prepared to enter into a stipulation with AAFAF appointing AAFAF as co-trustee with the Oversight Board with respect to the Lien Challenge. AAFAF agrees to enter into this stipulation and accept its role as co-trustee with the Oversight Board in the Lien Challenge. There is no justifiable basis for the UCC's refusal to recognize that this stipulation resolves the Motion.

3. Accordingly, and for the reasons set forth in the Oppositions, the Motion should be denied.



**THE PUERTO RICO FISCAL AGENCY  
AND ADVISORY AUTHORITY, as Fiscal  
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